

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOHN)	APPEAL NO. 13-A-1123
PAYNE from a decision of the Bonneville County)	
Board of Equalization for tax year 2013.)	FINAL DECISION
)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 14, 2013, in Idaho Falls, Idaho before Board Member David Kinghorn. Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision. Appellant John Payne appeared at hearing. Assessor Blake Mueller and Appraiser Peggy Dale appeared for Respondent Bonneville County. This appeal is taken from a decision of the Bonneville County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. RP03N38E045418.

The issue on appeal is the market value of a residential property.

The decision of the Bonneville County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$24,000, and the improvements' valuation is \$104,010, totaling \$128,010. Appellant requests the land value be reduced to \$12,000, and the improvements' value be reduced to \$44,025, totaling \$56,025.

The subject is a one (1) acre parcel improved with a 1,290 square foot residence located in Idaho Falls, Idaho. The residence contains three (3) bedrooms, one and one-half (1.5) baths and a 2-car garage and was built in 1978. Subject was updated in 2002, which included new siding, windows, roof and kitchen upgrades. Appellant explained subject's assessed value increased 14% due to the upgrades.

Appellant explained there is an active mining operation in close proximity to subject. This mining operation was described as “a public nuisance”, “offensive” to the senses and interferes with the enjoyment of life and property. The mining operation was said to create unusual amounts of noise and dust. Previously, the area was described as “a clean and quiet country road.” It is currently described as “being used by heavily loaded trucks, with the roadway covered with track-out rocks, dirt and fugitive dust.”

Appellant suggested other properties situated in close proximity to areas which were granted special-use permits were given reductions in assessed values. Due to the negative impact of the gravel pit operation, Appellant requested a 50% reduction in assessed value. Appellant submitted a video showing examples of the noise and dust problems, this video was recorded in 2013.

Respondent presented sales information in support of subject’s assessment. First, three (3) improved property sales were provided and compared directly to subject. The sales took place in 2012, and were all ranch-style homes, as is subject. The sales involved 1,250 to 1,334 square foot residences with sale prices between \$133,900 and \$159,000, or \$91 to \$99 per square foot. On a like basis, the subject is assessed for \$128,010 or \$81 per square foot. Photographs of subject and the sale properties were submitted.

In addition to the above sales, a list of 27 sales located throughout the county were also offered. The list included foreclosures and distressed sales. The sale properties consisted of between 1,008 and 1,344 square foot ranch-style residences. Sale prices were between \$52,250 and \$160,000, or \$29 to \$127 per square foot. The average price per

square foot was \$79. The sale properties were situated on smaller city lots.

Respondent additionally provided six (6) sales in subject's immediate area, which were also located in the immediate vicinity of the gravel pit operation. The sales took place between 2010 and 2013. The properties had sale prices between \$141,500 and \$305,000. When looking at 2012 sales, Respondent suggested sale prices were not yet being affected by the operation.

Lastly, Respondent provided sales across the county which were located by either gravel pits or landfills to show properties were still selling despite being in close proximity to such operations. Only one (1) subdivision in the county, which had properties located on the edge of a much larger gravel pit were given a 10% reduction in assessed value. It was estimated the gravel pit operation near subject only encompassed approximately 4-acres, which was described for the 2012 tax year as being a very small operation

Respondent acknowledged that an active gravel pit can be a nuisance, however, maintained that no adjustment was warranted until the operation is in full swing or sales in the area demonstrate that values are changing. In Respondent's opinion, the gravel pit was not shown to affect sales in the area during 2012.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the

following.

For purposes of taxation, Idaho Code § 63-205 requires taxable property be assessed annually on January 1 of the relevant tax year, at market value. Market value is defined in Idaho Code § 63-201 as follows:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

“[T]here are three primary methods of determining market value: the cost approach . . . the income approach . . . and the market data [sales comparison] approach, in which value of the assessed property is ascertained by looking to current open market sales of similar property.” *Merris v. Ada County*, 100 Idaho 59, 63; 593 P.2d 394, 398 (1979). .

Rather than presenting recent sales of like property (i.e. the market data approach to value), Appellant focused on subject’s detriments and asked this Board to reduce the assessed value on that basis. Unfortunately, no sales in the record demonstrated that values were anywhere near Appellant’s value claim.

Respondent provided six (6) sales of properties in subject’s immediate area. The sale properties were also located in close proximity to the gravel pit operation. The sales took place between 2010 and 2013, with sale prices between \$141,500 and \$305,000. Respondent concluded that as of January 1, 2013, sales data demonstrated that prices were not yet being impacted by the gravel pit.

In addition, Respondent provided sales across the county which were in close proximity

to either a gravel pit or landfill. Sale prices were between \$52,250 and \$160,000, or \$29 to \$127 per square foot. Subject was assessed at \$81 per square foot.

In appeals before this Board the burden is on Appellant to prove error in subject's assessed value by a preponderance of the evidence. See Idaho Code § 63-511. Where Appellant did not provide value evidence to support a reduction in value, we find that burden was not satisfied in this instance. The evidence in record did not demonstrate an error in the assessed value.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonneville County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 5th day of March, 2014.